

AMENDED IN SENATE JUNE 27, 2012

AMENDED IN SENATE JUNE 21, 2012

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1146

Introduced by Assembly Member Norby

February 18, 2011

An act to amend Sections 56100.1, 82036.5, 83124, 84101, 84103, 84108, 84202.3, 84202.7, 84203.3, 84203.5, 84204.5, 84211, 84216, 84216.5, 84300, 84304, 84308, 84602, 84604, 84605, 84609, 85304, 85306, 85310, 85315, 85316, 85501, 89510, 89511.5, and 89512.5 of, to repeal Sections 84200.6, 84202.5, 84203, 84205, 84209, 84220, 85301, 85302, 85303, 85305, 85307, 85309, 85314, and 85321 of, to repeal Article 2.5 (commencing with Section 84250) of Chapter 4 of Title 9 of, and to repeal and add Section 84200 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL’S DIGEST

AB 1146, as amended, Norby. Political Reform Act of 1974.

The Political Reform Act of 1974 imposes various limitations on contributions that may be made to, or accepted by, candidates for elective office and campaign committees that support or oppose candidates and ballot measures, including, among other things, limiting the maximum dollar amount of contributions that may be accepted by candidates for elective state office, and limiting contributions to an officer of an agency from a party who has a financial interest in a permit or license proceeding before that agency. ~~The act also prohibits a foreign government or foreign principal from making a contribution,~~

~~expenditure, or independent expenditure in connection with the qualification or support of, or opposition to, any state or local ballot measure.~~

~~This bill would repeal these limitations on contributions that may be made to, or accepted by, candidates for elective office. The bill would also repeal the prohibition against a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with the qualification or support of, or opposition to, any state or local ballot measure.~~

The act requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports, that include prescribed campaign finance information.

This bill would repeal the requirements to file certain of these reports, including the semiannual statements, the supplemental preelection statements, and the late contribution reports. This bill would require, in addition to filing preelection statements, that a candidate or committee who makes or receives a contribution of \$200 or more report that contribution to specified filing officers within 24 hours of receiving the contribution. The bill would require a candidate or committee making the contribution to report his, her, or its full name and address, the full name and address of the recipient, the office sought by the candidate or the ballot measure *number*, as appropriate, and the date and *the* amount of the contribution. The bill would require the recipient of the contribution to report his, her, or its full name and address, the date and *the* amount of the contribution, whether the contribution is in the form of a loan, and the full name of the contributor, and his or her street address, occupation, and employer or the name of the business, if self-employed.

The bill would require a candidate or committee that makes an expenditure of \$200 or more to report the expenditure to specified filing officers within 24 hours. The bill would require the candidate or committee making the expenditure to report his, her, or its full name and street address, the amount of the expenditure, the full name and street address for the person to whom the expenditure was made, and a brief description of the consideration for which the expenditure was made. The bill would require the disclosure of additional information if the expenditure is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure.

The bill would require a candidate or committee who is required to report a contribution or expenditure to the Secretary of State to file that report online or by electronic transmission only, and would also require that a copy of the report be filed with the Commission by online or electronic transmission.

The act prohibits any contribution *or expenditure* of \$100 or more from being made in cash. The act also prohibits anonymous contributions of \$100 or more to a candidate, committee, or person. The act also establishes \$100 as the threshold for reporting certain contributions and expenditures in certain campaign reports.

This bill would increase the threshold to \$200 for cash contributions *and expenditures*, anonymous contributions, and the reporting of the above-mentioned contributions and expenditures.

The bill would also make conforming changes.

By increasing the duties of local government officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the act may be amended by a statute that becomes effective upon approval of the voters.

This bill would require the Secretary of State to submit the provisions of the bill that would amend the Political Reform Act of 1974 to the voters for approval at a statewide election, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Under the Federal Election Campaign Act (2 U.S.C. Sec.
- 4 431 et seq.), political committees for federal campaigns must
- 5 disclose contributions having an aggregate amount, in a calendar
- 6 year, of two hundred dollars (\$200).

1 (b) The current one hundred dollar (\$100) limit for anonymous
2 contributions for California campaigns under the Political Reform
3 Act of 1974 was established more than 30 years ago.

4 (c) An increase in the limit for anonymous contributions under
5 the Political Reform Act of 1974 is necessary to maintain the limit
6 at a level consistent with that set at the time the act was enacted.

7 SEC. 2. Section 56100.1 of the Government Code is amended
8 to read:

9 56100.1. (a) Contributions and expenditures for political
10 purposes related to a proposal or proceeding shall be disclosed and
11 reported pursuant to Article 2 (commencing with Section 84200)
12 of Chapter 4 of the Political Reform Act of 1974 (Title 9
13 (commencing with Section 81000)).

14 (b) A commission may require, through the adoption of written
15 policies and procedures, additional disclosure of contributions in
16 support of or opposition to a proposal, which shall be made either
17 to the commission's executive officer, in which case it shall be
18 posted on the commission's Internet Web site, if applicable, or to
19 the board of supervisors of the county in which the commission
20 is located, which may designate a county officer to receive the
21 disclosure. Disclosure pursuant to a requirement under the authority
22 provided in this section shall be in addition to any disclosure
23 otherwise required by Section 56700.1, 57009, or local ordinance.

24 SEC. 3. Section 82036.5 of the Government Code is amended
25 to read:

26 82036.5. "Late independent expenditure" means any
27 independent expenditure that totals in the aggregate one thousand
28 dollars (\$1,000) or more and is made for or against any specific
29 candidate or measure involved in an election within the 12 days
30 before the date of the election. For purposes of the Board of
31 Administration of the Public Employees' Retirement System and
32 the Teachers' Retirement Board, "the date of the election" is the
33 deadline to return ballots.

34 SEC. 4. Section 83124 of the Government Code is amended
35 to read:

36 83124. The Commission shall adjust the voluntary expenditure
37 limitations provisions in Section 85400 in January of every
38 odd-numbered year to reflect any increase or decrease in the
39 Consumer Price Index. Those adjustments shall be rounded to the
40 nearest one thousand dollars (\$1,000).

1 SEC. 5. Section 84101 of the Government Code is amended
2 to read:

3 84101. (a) A committee that is a committee by virtue of
4 subdivision (a) of Section 82013 shall file a statement of
5 organization. The committee shall file the original of the statement
6 of organization with the Secretary of State and shall also file a
7 copy of the statement of organization with the local filing officer,
8 if any, with whom the committee is required to file the originals
9 of its campaign reports pursuant to Section 84215. The original
10 and copy of the statement of organization shall be filed within 10
11 days after the committee has qualified as a committee. The
12 Secretary of State shall assign a number to each committee that
13 files a statement of organization and shall notify the committee of
14 the number. The Secretary of State shall send a copy of statements
15 filed pursuant to this section to the county elections official of each
16 county that he or she deems appropriate. A county elections official
17 who receives a copy of a statement of organization from the
18 Secretary of State pursuant to this section shall send a copy of the
19 statement to the clerk of each city in the county that he or she
20 deems appropriate.

21 (b) In addition to filing the statement of organization as required
22 by subdivision (a), if a committee qualifies as a committee under
23 subdivision (a) of Section 82013 within the 12 days before the
24 date of an election in connection with which the committee is
25 required to file campaign statements, the committee shall file, by
26 facsimile transmission, guaranteed overnight delivery, or personal
27 delivery within 24 hours of qualifying as a committee, the
28 information required to be reported in the statement of organization.
29 The information required by this subdivision shall be filed with
30 the filing officer with whom the committee is required to file the
31 originals of its campaign reports pursuant to Section 84215.

32 (c) If an independent expenditure committee qualifies as a
33 committee pursuant to subdivision (a) of Section 82013 during the
34 time period described in Section 82036.5 and makes independent
35 expenditures of one thousand dollars (\$1,000) or more to support
36 or oppose a candidate or candidates for office, the committee shall
37 file, by facsimile transmission, online transmission, guaranteed
38 overnight delivery, or personal delivery within 24 hours of
39 qualifying as a committee, the information required to be reported
40 in the statement of organization. The information required by this

1 section shall be filed with the filing officer with whom the
2 committee is required to file the original of its campaign reports
3 pursuant to Section 84215, and shall be filed at all locations
4 required for the candidate or candidates supported or opposed by
5 the independent expenditures. The filings required by this section
6 are in addition to filings that may be required by Section 84204.

7 (d) For purposes of this section, in calculating whether one
8 thousand dollars (\$1,000) in contributions has been received,
9 payments for a filing fee or for a statement of qualifications to
10 appear in a sample ballot shall not be included if these payments
11 have been made from the candidate's personal funds.

12 SEC. 6. Section 84103 of the Government Code is amended
13 to read:

14 84103. (a) Whenever there is a change in any of the
15 information contained in a statement of organization, an
16 amendment shall be filed within 10 days to reflect the change. The
17 committee shall file the original of the amendment with the
18 Secretary of State and shall also file a copy of the amendment with
19 the local filing officer, if any, with whom the committee is required
20 to file the originals of its campaign reports pursuant to Section
21 84215.

22 (b) In addition to filing an amendment to a statement of
23 organization as required by subdivision (a), a committee as defined
24 in subdivision (a) of Section 82013 shall, by facsimile transmission,
25 online transmission, guaranteed overnight delivery, or personal
26 delivery within 24 hours, notify the filing officer with whom it is
27 required to file the originals of its campaign reports pursuant to
28 Section 84215 when the change requiring the amendment occurs
29 within the 12 days before the date of the election in connection
30 with which the committee is required to file a campaign statement
31 if any of the following information is changed:

32 (1) The name of the committee.

33 (2) The name of the treasurer or other principal officers.

34 (3) The name of any candidate or committee by which the
35 committee is controlled or with which it acts jointly.

36 The notification shall include the changed information, the date
37 of the change, the name of the person providing the notification,
38 and the committee's name and identification number.

39 A committee may file a notification online only if the appropriate
40 filing officer is capable of receiving the notification in that manner.

1 SEC. 7. Section 84108 of the Government Code is amended
2 to read:

3 84108. (a) Every slate mailer organization shall comply with
4 the requirements of Sections 84100, 84101, 84103, and 84104.

5 (b) The statement of organization of a slate mailer organization
6 shall include:

7 (1) The name, street address, and telephone number of the
8 organization. In the case of an individual or business entity that
9 qualifies as a slate mailer organization, the name of the slate mailer
10 organization shall include the name by which the individual or
11 entity is identified for legal purposes. Whenever identification of
12 a slate mailer organization is required by this title, the identification
13 shall include the full name of the slate mailer organization as
14 contained in its statement of organization.

15 (2) The full name, street address, and telephone number of the
16 treasurer and other principal officers.

17 (3) The full name, street address, and telephone number of each
18 person with final decisionmaking authority as to which candidates
19 or measures will be supported or opposed in the organization's
20 slate mailers.

21 (c) The statement of organization shall be filed with the
22 Secretary of State within 10 days after the slate mailer organization
23 receives or is promised five hundred dollars (\$500) or more for
24 producing one or more slate mailers. However, if an entity qualifies
25 as a slate mailer organization within the 12 days before the date
26 of an election in which it is required to file campaign statements,
27 the slate mailer organization shall file with the Secretary of State,
28 by facsimile transmission, guaranteed overnight delivery, or
29 personal delivery within 24 hours of qualifying as a slate mailer
30 organization, the information required to be reported in the
31 statement of organization.

32 SEC. 8. Section 84200 of the Government Code is repealed.

33 SEC. 9. Section 84200 is added to the Government Code, to
34 read:

35 84200. (a) (1) Each candidate or committee that makes or
36 receives a contribution of two hundred dollars (\$200) or more shall
37 report the contribution to each office with which the candidate or
38 committee is required to file its statements pursuant to Section
39 84215 or 84218. The candidate or committee that makes the
40 contribution shall report his-~~or~~, her, *or its* full name and street

1 address and the full name and street address of the person to whom
2 the contribution has been made, the office sought if the recipient
3 is a candidate, or the ballot measure number or letter if the recipient
4 is a committee primarily formed to support or oppose a ballot
5 measure, and the date and *the* amount of the contribution. The
6 recipient of the contribution shall report his-~~or~~, her, *or its* full name
7 and street address, the date and *the* amount of the contribution,
8 and whether the contribution was made in the form of a loan. The
9 recipient shall also report the full name of the contributor, his or
10 her street address, occupation, and the name of his or her employer,
11 or if self-employed, the name of the business.

12 (2) A contribution need not be reported, nor shall it be deemed
13 accepted, if it is not cashed, negotiated, or deposited and is returned
14 to the contributor within 24 hours of its receipt.

15 (b) Each candidate or committee that makes an expenditure of
16 two hundred dollars (\$200) or more shall report the expenditure
17 to each office with which the candidate or committee is required
18 to file its statements pursuant to Section 84215 or 84218. The
19 candidate or committee that makes the expenditure shall report his
20 ~~or~~, her, *or its* full name and street address, the amount of the
21 expenditure, the full name and street address for the person to
22 whom the expenditure was made, and a brief description of the
23 consideration for which the expenditure was made. In the case of
24 an expenditure that is a contribution to a candidate, elected officer,
25 or committee or an independent expenditure to support or oppose
26 a candidate or measure, the report shall also include the date of
27 the contribution or independent expenditure, the cumulative amount
28 of contributions made to the candidate, elected officer, or
29 committee, or the cumulative amount of independent expenditures
30 made relative to a candidate or measure, the full name of the
31 candidate, and the office and district for which he or she seeks
32 nomination or election, or the number or letter of the measure, and
33 the jurisdiction in which the measure or candidate is voted upon.

34 (c) A contribution or expenditure shall be reported by facsimile
35 transmission, guaranteed overnight delivery, or personal delivery
36 within 24 hours of the time it is made in the case of the candidate
37 or committee that makes the contribution or expenditure and within
38 24 hours of the time a contribution is received in the case of the
39 recipient. If a contribution or expenditure is required to be reported
40 to the Secretary of State, the report to the Secretary of State shall

1 be by online or electronic transmission only, with a copy sent to
2 the Commission by online electronic transmission.

3 SEC. 10. Section 84200.6 of the Government Code is repealed.

4 SEC. 11. Section 84202.3 of the Government Code is amended
5 to read:

6 84202.3. (a) In addition to the campaign statements required
7 by Section 84200, committees pursuant to subdivision (a) of
8 Section 82013 that are primarily formed to support or oppose the
9 qualification, passage, or defeat of a measure and proponents of a
10 state ballot measure who control a committee formed or existing
11 primarily to support the qualification, passage, or defeat of a state
12 ballot measure, shall file campaign statements on the following
13 dates:

14 (1) No later than April 30 for the period January 1 to March 31,
15 inclusive.

16 (2) No later than October 31 for the period July 1 to September
17 30, inclusive.

18 (b) This section shall not apply to a committee following the
19 election at which the measure is voted upon unless the committee
20 makes contributions or expenditures to support or oppose the
21 qualification or passage of another ballot measure.

22 SEC. 12. Section 84202.5 of the Government Code is repealed.

23 SEC. 13. Section 84202.7 of the Government Code is amended
24 to read:

25 84202.7. During an odd-numbered year, any committee by
26 virtue of Section 82013 that makes contributions totaling ten
27 thousand dollars (\$10,000) or more to elected state officers, their
28 controlled committees, or committees primarily formed to support
29 or oppose any elected state officer during a period specified below
30 shall file campaign statements on the following dates:

31 (a) No later than April 30 for the period of January 1 to March
32 31, inclusive.

33 (b) No later than October 31 for the period of July 1 to
34 September 30, inclusive.

35 SEC. 14. Section 84203 of the Government Code is repealed.

36 SEC. 15. Section 84203.3 of the Government Code is amended
37 to read:

38 84203.3. Any candidate or committee that makes a contribution
39 that is an in-kind contribution shall notify the recipient in writing
40 of the value of the in-kind contribution. The notice shall be received

1 by the recipient within 24 hours of the time the contribution is
2 made.

3 SEC. 16. Section 84203.5 of the Government Code is amended
4 to read:

5 84203.5. (a) In addition to any campaign statements required
6 by this article, if a candidate or committee has made independent
7 expenditures totaling one thousand dollars (\$1,000) or more in a
8 calendar year to support or oppose a candidate, a measure, or
9 qualification of a measure, it shall file independent expenditure
10 reports at the times prescribed by the Commission.

11 (b) An independent expenditure report shall contain the
12 following information:

13 (1) The name, street address, and telephone number of the
14 candidate or committee making the expenditure and of the
15 committee's treasurer, and the number assigned to the committee
16 by the Secretary of State.

17 (2) If the report is related to a candidate, the full name of the
18 candidate and the office and district for which the candidate seeks
19 nomination or election. If the report is related to a measure or
20 qualification of a measure, the number or letter of the measure, or
21 if none has yet been assigned, a brief description of the subject
22 matter of the measure, and the jurisdiction in which the measure
23 is to be voted on or would be voted on if it qualified.

24 (3) The total amount of expenditures related to the candidate or
25 measure during the period covered by the report made to persons
26 who have received less than two hundred dollars (\$200).

27 (4) The total amount of expenditures related to the candidate or
28 measure during the period covered by the report made to persons
29 who have received two hundred dollars (\$200) or more.

30 (5) For each person to whom an expenditure of two hundred
31 dollars (\$200) or more related to the candidate or measure has
32 been made during the period covered by the report and for each
33 person who has provided consideration for an expenditure of two
34 hundred dollars (\$200) or more during the period covered by the
35 report:

36 (A) His or her full name.

37 (B) His or her street address.

38 (C) If the person is a committee, the name of the committee,
39 the number assigned to the committee by the Secretary of State,

1 or if no number has been assigned, the full name and street address
2 of the treasurer of the committee.

3 (D) The date of the expenditure.

4 (E) The amount of the expenditure.

5 (F) A brief description of the consideration for which each
6 expenditure was made and the value of the consideration if less
7 than the total amount of the expenditure.

8 (G) The cumulative amount of expenditures to the person.

9 (6) A list of all the filing officers with whom the committee
10 filed its most recent campaign statement.

11 (c) Filing officers shall maintain paper reports filed pursuant to
12 this section under the name of the candidate or measure supported
13 or opposed by the independent expenditure.

14 SEC. 17. Section 84204.5 of the Government Code is amended
15 to read:

16 84204.5. (a) In addition to any other report required by this
17 title, a committee pursuant to subdivision (a) of Section 82013 that
18 is required to file reports pursuant to Section 84605 shall file online
19 or electronically with the Secretary of State each time it makes
20 independent expenditures totaling five thousand dollars (\$5,000)
21 or more to support or oppose the qualification or passage of a
22 single state ballot measure. The report shall be filed within 10
23 business days of making the contributions or independent
24 expenditures and shall contain all of the following:

25 (1) The full name, street address, and identification number of
26 the committee.

27 (2) The number or letter of the measure if the measure has
28 qualified for the ballot and has been assigned a number or letter;
29 the title of the measure if the measure has not been assigned a
30 number or letter but has been issued a title by the Attorney General;
31 or the subject of the measure if the measure has not been assigned
32 a number or letter and has not been issued a title by the Attorney
33 General.

34 (3) The date, amount, and a description of the goods or services
35 for which the expenditure was made. In addition, the report shall
36 include the information required by paragraphs (1) to (5), inclusive,
37 of subdivision (f) of Section 84211 regarding contributions or
38 loans received from a person described in that subdivision, covering
39 the period from the day after the closing date of the last campaign
40 report filed to the date of the expenditure, or if the committee has

1 not previously filed a campaign statement, covering the period
2 from the previous January 1 to the date of the expenditure. No
3 information described in paragraphs (1) to (5), inclusive, of
4 subdivision (f) of Section 84211 that is required to be reported
5 pursuant to this subdivision is required to be reported in more than
6 one report provided for in this subdivision for each contribution
7 or loan received from a person described in subdivision (f) of
8 Section 84211.

9 (b) Reports required by this section are not required to be filed
10 by a committee primarily formed to support or oppose the
11 qualification or passage of a state ballot measure for expenditures
12 made on behalf of the ballot measure or measures for which it is
13 formed.

14 (c) Independent expenditures that have been disclosed by a
15 committee pursuant to Section 84204 or 85500 are not required to
16 be disclosed pursuant to this section.

17 SEC. 18. Section 84205 of the Government Code is repealed.

18 SEC. 19. Section 84209 of the Government Code is repealed.

19 SEC. 20. Section 84211 of the Government Code is amended
20 to read:

21 84211. Each statement required by Sections 84200.7, 84200.8,
22 84200.9, 84202.3, and 84202.7 shall contain all of the following
23 information:

24 (a) The total amount of contributions received during the period
25 covered by the campaign statement and the total cumulative amount
26 of contributions received.

27 (b) The total amount of expenditures made during the period
28 covered by the campaign statement and the total cumulative amount
29 of expenditures made.

30 (c) The total amount of contributions received during the period
31 covered by the campaign statement from persons who have given
32 a cumulative amount of two hundred dollars (\$200) or more.

33 (d) The total amount of contributions received during the period
34 covered by the campaign statement from persons who have given
35 a cumulative amount of less than two hundred dollars (\$200).

36 (e) The balance of cash and cash equivalents on hand at the
37 beginning and the end of the period covered by the campaign
38 statement.

39 (f) If the cumulative amount of contributions (including loans)
40 received from a person is two hundred dollars (\$200) or more and

1 a contribution or loan has been received from that person during
2 the period covered by the campaign statement, all of the following:

- 3 (1) His or her full name.
- 4 (2) His or her street address.
- 5 (3) His or her occupation.
- 6 (4) The name of his or her employer, or if self-employed, the
7 name of the business.
- 8 (5) The date and amount received for each contribution received
9 during the period covered by the campaign statement and if the
10 contribution is a loan, the interest rate for the loan.

11 (6) The cumulative amount of contributions.
12 (g) If the cumulative amount of loans received from or made to
13 a person is two hundred dollars (\$200) or more, and a loan has
14 been received from or made to a person during the period covered
15 by the campaign statement, or is outstanding during the period
16 covered by the campaign statement, all of the following:

- 17 (1) His or her full name.
- 18 (2) His or her street address.
- 19 (3) His or her occupation.
- 20 (4) The name of his or her employer, or if self-employed, the
21 name of the business.
- 22 (5) The original date and amount of each loan.
- 23 (6) The due date and interest rate of the loan.
- 24 (7) The cumulative payment made or received to date at the end
25 of the reporting period.
- 26 (8) The balance outstanding at the end of the reporting period.
- 27 (9) The cumulative amount of contributions.

28 (h) For each person, other than the filer, who is directly,
29 indirectly, or contingently liable for repayment of a loan received
30 or outstanding during the period covered by the campaign
31 statement, all of the following:

- 32 (1) His or her full name.
- 33 (2) His or her street address.
- 34 (3) His or her occupation.
- 35 (4) The name of his or her employer, or if self-employed, the
36 name of the business.
- 37 (5) The amount of his or her maximum liability outstanding.
- 38 (i) The total amount of expenditures made during the period
39 covered by the campaign statement to persons who have received
40 two hundred dollars (\$200) or more.

1 (j) The total amount of expenditures made during the period
2 covered by the campaign statement to persons who have received
3 less than two hundred dollars (\$200).

4 (k) For each person to whom an expenditure of two hundred
5 dollars (\$200) or more has been made during the period covered
6 by the campaign statement, all of the following:

7 (1) His or her full name.

8 (2) His or her street address.

9 (3) The amount of each expenditure.

10 (4) A brief description of the consideration for which each
11 expenditure was made.

12 (5) In the case of an expenditure which is a contribution to a
13 candidate, elected officer, or committee or an independent
14 expenditure to support or oppose a candidate or measure, in
15 addition to the information required in paragraphs (1) to (4),
16 inclusive, the date of the contribution or independent expenditure,
17 the cumulative amount of contributions made to a candidate,
18 elected officer, or committee, or the cumulative amount of
19 independent expenditures made relative to a candidate or measure;
20 the full name of the candidate, and the office and district for which
21 he or she seeks nomination or election, or the number or letter of
22 the measure; and the jurisdiction in which the measure or candidate
23 is voted upon.

24 (6) The information required in paragraphs (1) to (4), inclusive,
25 for each person, if different from the payee, who has provided
26 consideration for an expenditure of five hundred dollars (\$500) or
27 more during the period covered by the campaign statement.

28 For purposes of subdivisions (i), (j), and (k) only, the terms
29 “expenditure” or “expenditures” mean any individual payment or
30 accrued expense, unless it is clear from surrounding circumstances
31 that a series of payments or accrued expenses are for a single
32 service or product.

33 (l) In the case of a controlled committee, an official committee
34 of a political party, or an organization formed or existing primarily
35 for political purposes, the amount and source of any miscellaneous
36 receipt.

37 (m) If a committee is listed pursuant to subdivision (f), (g), (h),
38 (k), (l), or (q), the number assigned to the committee by the
39 Secretary of State shall be listed, or if no number has been assigned,
40 the full name and street address of the treasurer of the committee.

1 (n) In a campaign statement filed by a candidate who is a
2 candidate in both a state primary and general election, his or her
3 controlled committee, or a committee primarily formed to support
4 or oppose such a candidate, the total amount of contributions
5 received and the total amount of expenditures made for the period
6 January 1 to June 30, inclusive, and the total amount of
7 contributions received and expenditures made for the period July
8 1 to December 31, inclusive.

9 (o) The full name, residential or business address, and telephone
10 number of the filer, or in the case of a campaign statement filed
11 by a committee defined by subdivision (a) of Section 82013, the
12 name, street address, and telephone number of the committee and
13 of the committee treasurer. In the case of a committee defined by
14 subdivision (b) or (c) of Section 82013, the name that the filer uses
15 on campaign statements shall be the name by which the filer is
16 identified for other legal purposes or any name by which the filer
17 is commonly known to the public.

18 (p) If the campaign statement is filed by a candidate, the name,
19 street address, and treasurer of any committee of which he or she
20 has knowledge which has received contributions or made
21 expenditures on behalf of his or her candidacy and whether the
22 committee is controlled by the candidate.

23 (q) A contribution need not be reported nor shall it be deemed
24 accepted if it is not cashed, negotiated, or deposited and is returned
25 to the contributor before the closing date of the campaign statement
26 on which the contribution would otherwise be reported.

27 (r) If a committee primarily formed for the qualification or
28 support of, or opposition to, an initiative or ballot measure is
29 required to report an expenditure to a business entity pursuant to
30 subdivision (k) and 50 percent or more of the business entity is
31 owned by a candidate or person controlling the committee, by an
32 officer or employee of the committee, or by a spouse of any of
33 these individuals, the committee's campaign statement shall also
34 contain, in addition to the information required by subdivision (k),
35 that person's name, the relationship of that person to the committee,
36 and a description of that person's ownership interest or position
37 with the business entity.

38 (s) If a committee primarily formed for the qualification or
39 support of, or opposition to, an initiative or ballot measure is
40 required to report an expenditure to a business entity pursuant to

subdivision (k), and a candidate or person controlling the committee, an officer or employee of the committee, or a spouse of any of these individuals is an officer, partner, consultant, or employee of the business entity, the committee's campaign statement shall also contain, in addition to the information required by subdivision (k), that person's name, the relationship of that person to the committee, and a description of that person's ownership interest or position with the business entity.

(t) If the campaign statement is filed by a committee, as defined in subdivision (b) or (c) of Section 82013, information sufficient to identify the nature and interests of the filer, including:

(1) If the filer is an individual, the name and address of the filer's employer, if any, or his or her principal place of business if the filer is self-employed, and a description of the business activity in which the filer or his or her employer is engaged.

(2) If the filer is a business entity, a description of the business activity in which it is engaged.

(3) If the filer is an industry, trade, or professional association, a description of the industry, trade, or profession which it represents, including a specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents.

(4) If the filer is not an individual, business entity, or industry, trade, or professional association, a statement of the person's nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest which the person principally represents or from which its membership or financial support is principally derived.

SEC. 21. Section 84216 of the Government Code is amended to read:

84216. (a) Notwithstanding Section 82015, a loan received by a candidate or committee is a contribution unless the loan is received from a commercial lending institution in the ordinary course of business, or it is clear from the surrounding circumstances that it is not made for political purposes.

(b) A loan, whether or not there is a written contract for the loan, shall be reported as provided in Sections 84200 and 84211 when any of the following apply:

(1) The loan is a contribution.

(2) The loan is received by a committee.

1 (3) The loan is received by a candidate and is used for political
2 purposes.

3 SEC. 22. Section 84216.5 of the Government Code is amended
4 to read:

5 84216.5. A loan of campaign funds, whether or not there is a
6 written contract for the loan, made by a candidate or committee
7 shall be reported as provided in Sections 84200 and 84211.

8 SEC. 23. Section 84220 of the Government Code is repealed.

9 SEC. 24. Article 2.5 (commencing with Section 84250) of
10 Chapter 4 of Title 9 of the Government Code is repealed.

11 SEC. 25. Section 84300 of the Government Code is amended
12 to read:

13 84300. (a) No contribution of two hundred dollars (\$200) or
14 more shall be made or received in cash.

15 (b) No expenditure of two hundred dollars (\$200) or more shall
16 be made in cash.

17 (c) No contribution of two hundred dollars (\$200) or more other
18 than an in-kind contribution shall be made unless in the form of a
19 written instrument containing the name of the donor and the name
20 of the payee and drawn from the account of the donor or the
21 intermediary, as defined in Section 84302.

22 (d) The value of all in-kind contributions of two hundred dollars
23 (\$200) or more shall be reported in writing to the recipient upon
24 the request in writing of the recipient.

25 SEC. 26. Section 84304 of the Government Code is amended
26 to read:

27 84304. No person shall make an anonymous contribution or
28 contributions to a candidate, committee, or any other person
29 totaling two hundred dollars (\$200) or more in a calendar year.
30 An anonymous contribution of two hundred dollars (\$200) or more
31 shall not be kept by the intended recipient but instead shall be
32 promptly paid to the Secretary of State for deposit in the General
33 Fund of the state.

34 SEC. 27. Section 84308 of the Government Code is amended
35 to read:

36 84308. (a) The definitions set forth in this subdivision shall
37 govern the interpretation of this section.

38 (1) "Party" means any person who files an application for, or
39 is the subject of, a proceeding involving a license, permit, or other
40 entitlement for use.

(2) “Participant” means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.

(3) “Agency” means an agency as defined in Section 82003 except that it does not include the courts or any agency in the judicial branch of government, local governmental agencies whose members are directly elected by the voters, the Legislature, the State Board of Equalization, or constitutional officers. However, this section applies to any person who is a member of an exempted agency but is acting as a voting member of another agency.

(4) “Officer” means any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency.

(5) “License, permit, or other entitlement for use” means all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises.

(6) “Contribution” includes contributions to candidates and committees in federal, state, or local elections.

(b) Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant

1 has a financial interest in the decision, as that term is described
2 with respect to public officials in Article 1 (commencing with
3 Section 87100) of Chapter 7.

4 If an officer receives a contribution that would otherwise require
5 disqualification under this section, and returns the contribution
6 within 30 days from the time he or she knows, or should have
7 known, about the contribution and the proceeding involving a
8 license, permit, or other entitlement for use, he or she shall be
9 permitted to participate in the proceeding.

10 (c) A party to a proceeding before an agency involving a license,
11 permit, or other entitlement for use shall disclose on the record of
12 the proceeding any contribution in an amount of more than two
13 hundred fifty dollars (\$250) made within the preceding 12 months
14 by the party, or his or her agent, to any officer of the agency. No
15 party, or his or her agent, to a proceeding involving a license,
16 permit, or other entitlement for use pending before any agency
17 and no participant, or his or her agent, in the proceeding shall make
18 a contribution of more than two hundred fifty dollars (\$250) to
19 any officer of that agency during the proceeding and for three
20 months following the date a final decision is rendered by the
21 agency in the proceeding. When a closed corporation is a party to,
22 or a participant in, a proceeding involving a license, permit, or
23 other entitlement for use pending before an agency, the majority
24 shareholder is subject to the disclosure and prohibition
25 requirements specified in subdivision (b) and this subdivision.

26 (d) Nothing in this section shall be construed to imply that any
27 contribution subject to being reported under this title shall not be
28 so reported.

29 SEC. 28. Section 84602 of the Government Code is amended
30 to read:

31 84602. To implement the Legislature's intent, the Secretary of
32 State, in consultation with the Commission, notwithstanding any
33 other provision of the Government Code, shall do all of the
34 following:

35 (a) Develop online and electronic filing processes for use by
36 persons and entities specified in Sections 84604 and 84605 that
37 are required to file statements and reports with the Secretary of
38 State's office pursuant to Chapter 4 (commencing with Section
39 84100) and Chapter 6 (commencing with Section 86100). Those
40 processes shall each enable a user to comply with all the disclosure

1 requirements of this title and shall include, at a minimum, the
2 following:

3 (1) A means or method whereby filers subject to this chapter
4 may submit required filings free of charge. Any means or method
5 developed pursuant to this provision shall not provide any
6 additional or enhanced functions or services that exceed the
7 minimum requirements necessary to fulfill the disclosure provisions
8 of this title. At least one means or method shall be made available
9 no later than December 31, 2002.

10 (2) The definition of a nonproprietary standardized record format
11 or formats using industry standards for the transmission of the data
12 that is required of those persons and entities specified in
13 subdivision (a) of Section 84604 and Section 84605 and that
14 conforms with the disclosure requirements of this title. The
15 Secretary of State shall hold public hearings prior to development
16 of the record format or formats as a means to ensure that affected
17 entities have an opportunity to provide input into the development
18 process. The format or formats shall be made public no later than
19 July 1, 1999, to ensure sufficient time to comply with the
20 requirements of this chapter.

21 (b) Accept test files from software vendors and others wishing
22 to file reports electronically, for the purpose of determining whether
23 the file format is in compliance with the standardized record format
24 developed pursuant to subdivision (a) and is compatible with the
25 Secretary of State's system for receiving the data. A list of the
26 software and service providers who have submitted acceptable test
27 files shall be published by the Secretary of State and made available
28 to the public. Acceptably formatted files shall be submitted by a
29 filer in order to meet the requirements of this chapter.

30 (c) Develop a system that provides for the online or electronic
31 transfer of the data specified in this section utilizing
32 telecommunications technology that assures the integrity of the
33 data transmitted and that creates safeguards against efforts to
34 tamper with or subvert the data.

35 (d) Make all the data filed available on the Internet in an easily
36 understood format that provides the greatest public access. The
37 data shall be made available free of charge and as soon as possible
38 after receipt. All contribution reports and late independent
39 expenditure reports shall be made available on the Internet within
40 24 hours of receipt. The data made available on the Internet shall

1 not contain the street name and building number of the persons or
2 entity representatives listed on the electronically filed forms or
3 any bank account number required to be disclosed pursuant to this
4 title.

5 (e) Develop a procedure for filers to comply with the
6 requirement that they sign under penalty of perjury pursuant to
7 Section 81004.

8 (f) Maintain all filed data online for 10 years after the date it is
9 filed, and then archive the information in a secure format.

10 (g) Provide assistance to those seeking public access to the
11 information.

12 (h) Implement sufficient technology to seek to prevent
13 unauthorized alteration or manipulation of the data.

14 (i) Provide the Commission with necessary information to enable
15 it to assist agencies, public officials, and others, with the
16 compliance with and administration of this title.

17 (j) Report to the Legislature on the implementation and
18 development of the online and electronic filing and disclosure
19 requirements of this chapter. The report shall include an
20 examination of system security, private security issues, software
21 availability, compliance costs to filers, use of the filing system and
22 software provided by the Secretary of State, and other issues
23 relating to this chapter, and shall recommend appropriate changes
24 if necessary. In preparing the report, the Commission may present
25 to the Secretary of State and the Legislature its comments regarding
26 this chapter as it relates to the duties of the Commission and
27 suggest appropriate changes if necessary. There shall be one report
28 due before the system is operational as set forth in Section 84603,
29 one report due no later than June 1, 2002, and one report due no
30 later than January 31, 2003.

31 (k) Review the current filing and disclosure requirements of
32 this chapter and report to the Legislature, no later than June 1,
33 2005, recommendations on revising these requirements so as to
34 promote greater reliance on electronic and online submissions.

35 SEC. 29. Section 84604 of the Government Code is amended
36 to read:

37 84604. (a) The Secretary of State shall implement an online
38 or electronic disclosure program in connection with the 2000 state
39 primary election and the lobbying activities specified in paragraph
40 (4). Entities specified in paragraphs (1), (2), and (3) shall

1 commence online or electronic disclosure with the first preelection
2 statement filed in connection with the 2000 statewide direct
3 primary election for the period ending January 22, 2000, and shall
4 continue to disclose online or electronically all required reports
5 and statements up to and including the semiannual statement for
6 the period ending June 30, 2000. Entities specified in paragraph
7 (4) shall commence online or electronic disclosure with the
8 quarterly report for the period ending March 31, 2000, and shall
9 continue to disclose online or electronically all required reports
10 and statements up to and including the quarterly report for the
11 period ending June 30, 2000. The entities subject to this section
12 are the following:

13 (1) Any candidate, including appellate court and Supreme Court
14 candidates and officeholders, committee, or other persons who are
15 required, pursuant to Chapter 4 (commencing with Section 84100),
16 to file statements, reports, or other documents in connection with
17 a state elective office or state measure appearing on the 2000
18 statewide direct primary ballot, provided that the total cumulative
19 reportable amount of contributions received, expenditures made,
20 loans made, or loans received is one hundred thousand dollars
21 (\$100,000) or more. For the purpose of cumulating totals, the
22 period covered shall commence January 1, 1999.

23 (2) Any general purpose committees, as defined in Section
24 82027.5, including the general purpose committees of political
25 parties, and small contributor committees, as defined in Section
26 85203, that cumulatively receive contributions or make
27 expenditures totaling one hundred thousand dollars (\$100,000) or
28 more to support or oppose candidates for any elective state office
29 or state measure appearing on the 2000 statewide direct primary
30 ballot. For the purpose of cumulating totals, the period covered
31 shall commence January 1, 1999.

32 (3) Any slate mailer organization with cumulative reportable
33 payments received or made for the purposes of producing slate
34 mailers of one hundred thousand dollars (\$100,000) or more in
35 connection with the 2000 statewide direct primary election. For
36 the purpose of cumulating totals, the period covered shall
37 commence January 1, 1999.

38 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
39 persons required, pursuant to Chapter 6 (commencing with Section
40 86100), to file statements, reports, or other documents, provided

1 that the total amount of any category of reportable payments,
2 expenses, contributions, gifts, or other items is one hundred
3 thousand dollars (\$100,000) or more in a calendar quarter.

4 (b) Filers specified in subdivision (a) shall also continue to file
5 required disclosure forms in paper format. The paper copy shall
6 continue to be the official version for audit and other legal
7 purposes. Committees and other persons that are not required to
8 file online or electronically by this section may do so voluntarily.

9 (c) The Secretary of State shall also disclose on the Internet any
10 contribution report or late independent expenditure report not
11 covered by subdivision (a).

12 (d) It shall be presumed that online or electronic filers file under
13 penalty of perjury.

14 SEC. 30. Section 84605 of the Government Code is amended
15 to read:

16 84605. (a) The following persons shall file online or
17 electronically with the Secretary of State:

18 (1) Any candidate, including superior court, appellate court,
19 and Supreme Court candidates and officeholders, committee, or
20 other persons who are required, pursuant to Chapter 4 (commencing
21 with Section 84100), to file statements, reports, or other documents
22 in connection with a state elective office or state measure, provided
23 that the total cumulative reportable amount of contributions
24 received, expenditures made, loans made, or loans received is
25 twenty-five thousand dollars (\$25,000) or more. In determining
26 the cumulative reportable amount, all controlled committees, as
27 defined by Section 82016, shall be included. For a committee
28 subject to this title prior to January 1, 2000, the beginning date for
29 calculating cumulative totals is January 1, 2000. For a committee
30 that is first subject to this title on or after January 1, 2000, the
31 beginning date for calculating cumulative totals is the date the
32 committee is first subject to this title. A committee, as defined in
33 subdivision (c) of Section 82013, shall file online or electronically
34 if it makes contributions of twenty-five thousand dollars (\$25,000)
35 or more in a calendar year.

36 (2) Any general purpose committees, as defined in Section
37 82027.5, including the general purpose committees of political
38 parties, and small contributor committees, as defined in Section
39 85203, that cumulatively receive contributions or make
40 expenditures totaling twenty-five thousand dollars (\$25,000) or

1 more to support or oppose candidates for any elective state office
2 or state measure. For a committee subject to this title prior to
3 January 1, 2000, the beginning date for calculating cumulative
4 totals is January 1, 2000. For a committee that first is subject to
5 this title on or after January 1, 2000, the beginning date for
6 calculating cumulative totals is the date the committee is first
7 subject to this title.

8 (3) Any slate mailer organization with cumulative reportable
9 payments received or made for the purposes of producing slate
10 mailers of twenty-five thousand dollars (\$25,000) or more. For a
11 slate mailer organization subject to this title prior to January 1,
12 2000, the beginning date for calculating cumulative totals is
13 January 1, 2000. For a slate mailer organization that first is subject
14 to this title on or after January 1, 2000, the beginning date for
15 calculating cumulative totals is the date the organization is first
16 subject to this title.

17 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
18 persons required, pursuant to Chapter 6 (commencing with Section
19 86100), to file statements, reports, or other documents, provided
20 that the total amount of any category of reportable payments,
21 expenses, contributions, gifts, or other items is two thousand five
22 hundred dollars (\$2,500) or more in a calendar quarter.

23 (b) The Secretary of State shall also disclose on the Internet any
24 contribution report or late independent expenditure report not
25 covered by paragraph (1), (2), or (3) of subdivision (a) or any other
26 provision of law.

27 (c) Committees and other persons that are not required to file
28 online or electronically by this section may do so voluntarily.

29 (d) Once a person or entity is required to file online or
30 electronically, subject to subdivision (a) or (c), the person or entity
31 shall be required to file all subsequent reports online or
32 electronically.

33 (e) It shall be presumed that online or electronic filers file under
34 penalty of perjury.

35 (f) Persons filing online or electronically shall also continue to
36 file required disclosure statements and reports in paper format.
37 The paper copy shall continue to be the official filing for audit and
38 other legal purposes until the Secretary of State, pursuant to Section
39 84606, determines the system is operating securely and effectively.

1 (g) The Secretary of State shall maintain at all times a secured,
2 official version of all original online and electronically filed
3 statements and reports required by this chapter. Upon determination
4 by the Secretary of State, pursuant to Section 84606, that the
5 system is operating securely and effectively, this online or
6 electronic version shall be the official version for audit and other
7 legal purposes.

8 (h) Except for statements related to a local elective office or a
9 local ballot measure filed by a candidate for local elective office
10 who is also a candidate for elective state office, a copy of a
11 statement, report, or other document filed by online or electronic
12 means with the Secretary of State shall not be filed with a local
13 filing officer.

14 SEC. 31. Section 84609 of the Government Code is amended
15 to read:

16 84609. All candidates and ballot measure committees who are
17 required, pursuant to Chapter 4 (commencing with Section 84100),
18 to file statements, reports, or other documents in connection with
19 a statewide elective office or state measure appearing on the
20 November 1998 ballot shall provide at the time of filing, in addition
21 to a paper submission, a copy of the required report on computer
22 disk in either an ASCII or PDF format with documentation
23 detailing the field layout or file structure. Filers who submit
24 computer disks which are not readable, cannot be copied, or do
25 not have documentation have not complied with the requirements
26 of this section. Candidate and ballot measure committees who
27 make their report available on the Internet through the Secretary
28 of State's office are not required to file the report on computer
29 disk. The Secretary of State shall make copies available to the
30 public, upon payment of fees covering direct costs of duplication,
31 or a statutory fee, if applicable. The Secretary of State shall also
32 disclose online any contribution report or late independent
33 expenditure report filed in connection with any elective state office
34 or ballot measure appearing on the November 1998 ballot.

35 SEC. 32. Section 85301 of the Government Code is repealed.

36 SEC. 33. Section 85302 of the Government Code is repealed.

37 SEC. 34. Section 85303 of the Government Code is repealed.

38 SEC. 35. Section 85304 of the Government Code is amended
39 to read:

1 85304. (a) A candidate for elective state office or an elected
2 state officer may establish a separate account to defray attorney's
3 fees and other related legal costs incurred for the candidate's or
4 officer's legal defense if the candidate or officer is subject to one
5 or more civil or criminal proceedings or administrative proceedings
6 arising directly out of the conduct of an election campaign, the
7 electoral process, or the performance of the officer's governmental
8 activities and duties. These funds may be used only to defray those
9 attorney's fees and other related legal costs.

10 (b) All contributions shall be reported in the manner prescribed
11 by Section 84200.

12 (c) Once the legal dispute is resolved, the candidate shall dispose
13 of any funds remaining after all expenses associated with the
14 dispute are discharged for one or more of the purposes set forth in
15 paragraphs (1) to (5), inclusive, of subdivision (b) of Section
16 89519.

17 SEC. 36. Section 85305 of the Government Code is repealed.

18 SEC. 37. Section 85306 of the Government Code is amended
19 to read:

20 85306. (a) A candidate may transfer campaign funds from one
21 controlled committee to a controlled committee for elective state
22 office of the same candidate. Contributions transferred shall be
23 attributed to specific contributors using a "last in, first out" or "first
24 in, first out" accounting method.

25 (b) Notwithstanding subdivision (a), a candidate for elective
26 state office, other than a candidate for statewide elective office,
27 who possesses campaign funds on January 1, 2001, may use those
28 funds to seek elective office without attributing the funds to specific
29 contributors.

30 (c) Notwithstanding subdivision (a), a candidate for statewide
31 elective office who possesses campaign funds on November 6,
32 2002, may use those funds to seek elective office without
33 attributing the funds to specific contributors.

34 SEC. 38. Section 85307 of the Government Code is repealed.

35 SEC. 39. Section 85309 of the Government Code is repealed.

36 SEC. 40. Section 85310 of the Government Code is amended
37 to read:

38 85310. (a) Any person who makes a payment or a promise of
39 payment totaling fifty thousand dollars (\$50,000) or more for a
40 communication that clearly identifies a candidate for elective state

1 office, but does not expressly advocate the election or defeat of
2 the candidate, and that is disseminated, broadcast, or otherwise
3 published within 45 days of an election, shall file online or
4 electronically with the Secretary of State a report disclosing the
5 name of the person, address, occupation, and employer, and amount
6 of the payment. The report shall be filed within 48 hours of making
7 the payment or the promise to make the payment.

8 (b) (1) Except as provided in paragraph (2), if any person has
9 received a payment or a promise of a payment from other persons
10 totaling five thousand dollars (\$5,000) or more for the purpose of
11 making a communication described in subdivision (a), the person
12 receiving the payments shall disclose on the report the name,
13 address, occupation and employer, and date and amount received
14 from the person.

15 (2) A person who receives or is promised a payment that is
16 otherwise reportable under paragraph (1) is not required to report
17 the payment if the person is in the business of providing goods or
18 services and receives or is promised the payment for the purpose
19 of providing those goods or services.

20 SEC. 41. Section 85314 of the Government Code is repealed.

21 SEC. 42. Section 85315 of the Government Code is amended
22 to read:

23 85315. (a) Notwithstanding any other provision of this chapter,
24 an elected state officer may establish a committee to oppose the
25 qualification of a recall measure, and the recall election. This
26 committee may be established when the elected state officer
27 receives a notice of intent to recall pursuant to Section 11021 of
28 the Elections Code. An elected state officer may accept campaign
29 contributions to oppose the qualification of a recall measure, and
30 if qualification is successful, the recall election. The voluntary
31 expenditure limits do not apply to expenditures made to oppose
32 the qualification of a recall measure or to oppose the recall election.

33 (b) After the failure of a recall petition or after the recall
34 election, the committee formed by the elected state officer shall
35 wind down its activities and dissolve. Any remaining funds shall
36 be treated as surplus funds and shall be expended within 30 days
37 after the failure of the recall petition or after the recall election for
38 a purpose specified in subdivision (b) of Section 89519.

39 SEC. 43. Section 85316 of the Government Code is amended
40 to read:

1 85316. (a) Except as provided in subdivision (b), a contribution
2 for an election may be accepted by a candidate for elective state
3 office after the date of the election only to the extent that the
4 contribution does not exceed net debts outstanding from the
5 election.

6 (b) Notwithstanding subdivision (a), an elected state officer
7 may accept contributions after the date of the election for the
8 purpose of paying expenses associated with holding the office
9 provided that the contributions are not expended for any
10 contribution to any state or local committee. Contributions received
11 pursuant to this subdivision shall be deposited into a bank account
12 established solely for the purposes specified in this subdivision.

13 (1) No person shall make, and no elected state officer shall
14 receive from a person, a contribution pursuant to this subdivision
15 totaling more than the following amounts per calendar year:

16 (A) Three thousand dollars (\$3,000) in the case of an elected
17 state officer of the Assembly or Senate.

18 (B) Five thousand dollars (\$5,000) in the case of a statewide
19 elected state officer other than the Governor.

20 (C) Twenty thousand dollars (\$20,000) in the case of the
21 Governor.

22 (2) No elected state officer shall receive contributions pursuant
23 to paragraph (1) that, in the aggregate, total more than the following
24 amounts per calendar year:

25 (A) Fifty thousand dollars (\$50,000) in the case of an elected
26 state officer of the Assembly or Senate.

27 (B) One hundred thousand dollars (\$100,000) in the case of a
28 statewide elected state officer other than the Governor.

29 (C) Two hundred thousand dollars (\$200,000) in the case of the
30 Governor.

31 (c) Any contribution received pursuant to this section shall be
32 deemed to be a contribution to that candidate for election to any
33 state office that he or she may seek during the term of office to
34 which he or she is currently elected, including, but not limited to,
35 reelection to the office he or she currently holds. None of the
36 expenditures made by elected state officers pursuant to this
37 subdivision shall be subject to the voluntary expenditure limitations
38 in Section 85400.

39 SEC. 44. Section 85321 of the Government Code is repealed.

1 SEC. 45. Section 85501 of the Government Code is amended
2 to read:

3 85501. A controlled committee of a candidate may not make
4 independent expenditures to support or oppose other candidates.

5 SEC. 46. Section 89510 of the Government Code is amended
6 to read:

7 89510. All contributions deposited into the campaign account
8 shall be deemed to be held in trust for expenses associated with
9 the election of the candidate or for expenses associated with
10 holding office.

11 SEC. 47. Section 89511.5 of the Government Code is amended
12 to read:

13 89511.5. (a) An incumbent elected officer may utilize his or
14 her personal funds for expenditures authorized by Section 89510
15 without first depositing those funds in his or her controlled
16 committee's campaign bank account, if both of the following
17 conditions are met:

18 (1) The expenditures are not campaign expenses.

19 (2) The treasurer of the committee is provided with a dated
20 receipt and a written description of the expenditure.

21 (b) An incumbent elected officer may be reimbursed for
22 expenditures of his or her personal funds, from either the controlled
23 committee campaign bank account established pursuant to Section
24 85201 with respect to election to the incumbent term of office, or
25 from a controlled committee campaign bank account established
26 pursuant to Section 85201 with respect to election to a future term
27 of office, if all of the following conditions are met:

28 (1) The expenditures are not campaign expenses.

29 (2) The incumbent elected officer, prior to reimbursement,
30 provides the treasurer of the committee with a dated receipt and a
31 written description of each expenditure.

32 (3) Reimbursement is paid within 90 days of the expenditure,
33 in the case of a cash expenditure, or within 90 days of the end of
34 the billing period in which it was included, in the case of an
35 expenditure charged to a credit card or charge account.

36 (c) When the elected officer's controlled committee is notified
37 that expenditures totaling one hundred dollars (\$100) or more in
38 a fiscal year have been made by the incumbent elected officer, the
39 committee shall report, pursuant to subdivision (k) of Section
40 84211, the expenditures on the campaign statement for the period

1 in which the expenditures were made and the reimbursements on
2 the campaign statement for the period in which the reimbursements
3 were made.

4 (d) If reimbursement is not paid within the time authorized by
5 this section, the expenditure shall be reported on the campaign
6 statement as a nonmonetary contribution received on the 90th day
7 after the expenditure is paid, in the case of a cash expenditure, or
8 within 90 days of the end of the billing period in which it was
9 included, in the case of an expenditure charged to a credit card or
10 charge account.

11 (e) This section shall not be construed to authorize an incumbent
12 elected officer to make expenditures from any campaign bank
13 account for expenses other than those expenses associated with
14 his or her election to the specific office for which the account was
15 established and expenses associated with holding that office.

16 SEC. 48. Section 89512.5 of the Government Code is amended
17 to read:

18 89512.5. (a) Subject to the provisions of subdivision (b), any
19 expenditure by a committee not subject to the trust imposed by
20 Section 89510 shall be reasonably related to a political, legislative,
21 or governmental purpose of the committee.

22 (b) Any expenditure by a committee that confers a substantial
23 personal benefit on any individual or individuals with authority to
24 approve the expenditure of campaign funds held by the committee,
25 shall be directly related to a political, legislative, or governmental
26 purpose of the committee.

27 SEC. 49. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the duties imposed on a local agency or school district by this act
30 were expressly included in a ballot measure approved by the voters
31 in a statewide election, within the meaning of Section 17556 of
32 the Government Code.

33 SEC. 50. The Secretary of State shall, pursuant to subdivision
34 (b) of Section 81012 of the Government Code, submit Sections 3
35 to 48, inclusive, of this act to the voters for approval at a statewide
36 election in accordance with Section 9040 of the Elections Code.

37 SEC. 51. Sections 1 and 2 of this act shall not become operative
38 unless and until the voters approve the amendments to the Political
39 Reform Act of 1974 (Title 9 (commencing with Section 81000))

1 of the Government Code) made by Sections 3 to 48, inclusive, of
2 this act, at the statewide election described in Section 50.

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